

UNDER SECRETARY OF STATE FOR
ARMS CONTROL AND INTERNATIONAL SECURITY
WASHINGTON

MEMORANDUM FOR THE CHAIRMAN, INTERNATIONAL SECURITY
ADVISORY BOARD (ISAB)

SUBJECT: Terms of Reference for ISAB Study of Chinese Strategic
Modernization Plans

The ISAB is requested to undertake a study to recommend strategies that, broadly defined, would move the U.S.-China security relationship towards greater transparency and mutual confidence, enhance cooperation, and reduce the likelihood of misunderstanding or miscalculation that can contribute to competition or conflict.

A U.S.-China adversarial rivalry would not be in the interest of either party. Yet, over the past decade China has embarked on major strategic modernization programs (conventional, nuclear, cyberspace and space) that, when combined with the increased Chinese economic, diplomatic and political efforts aimed at the Asian-Pacific region, the Middle East, Africa and Latin America, could result in the emergence of China as a major competitor of the United States. It is essential that the U.S. seek to influence China's policies and capabilities to best avoid such an outcome.

It would be useful if the ISAB could examine and assess:

- The current state of Chinese strategic modernization and Chinese plans for modernization of its conventional and nuclear force structures as well as its cyberspace and anti-space capabilities, including:
 - Ways in which China's perceived military/strategic needs are translated into force structure;
 - China's ability to create and sustain new strategic capabilities;
 - Views of Chinese leaders on the use of force, including its utility as a means of achieving national objectives and conditions under which they might resort to force;
- How increasing Chinese strategic capabilities could impact U.S. interests in the Asia-Pacific region and beyond;

- Possible Chinese motivations for its modernization programs and their relationship to the increased Chinese economic, diplomatic and political efforts in key areas of the world, including the Middle East, Africa and Latin America;
- Possible confidence-building measures, particularly those that would improve strategic dialogue and openness, that could help the United States better shape and manage its strategic relationship with China; and
- Other possible response strategies.

I request that the completed study be submitted to the ISAB Executive Directorate no later than nine months from the date of these terms of reference.

The Acting Under Secretary of State for Arms Control and International Security will sponsor the study. The Director for Strategic Planning and Outreach will support the study. Michael Ennis, from the Office of Regional Affairs (ISN/RA), will serve as the Executive Secretary of the study.

The study will operate in accordance with the provisions of P.L. 92-463, the "Federal Advisory Board Committee Act."

A handwritten signature in black ink, appearing to read "John Rood". The signature is fluid and cursive, with the first name "John" and last name "Rood" clearly distinguishable.

John C. Rood, Acting